

Appendix A

NOMURA

Annual Report

2009

for the Year Ended March 31, 2009

Nomura Holdings, Inc.

Count on Nomura



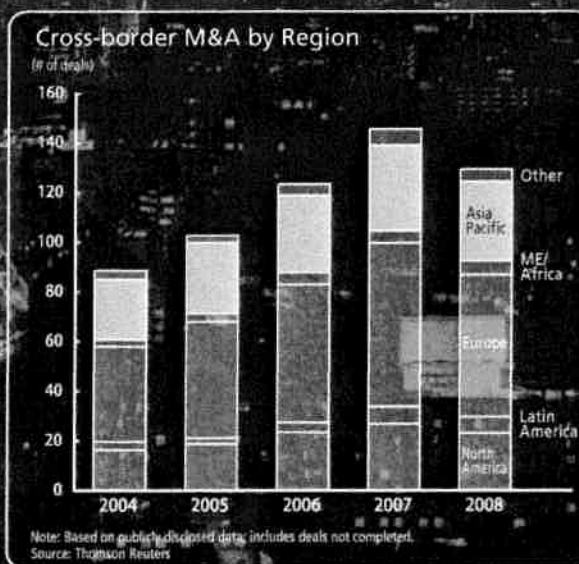
Create Change

Nominal GDP by Country (2008)



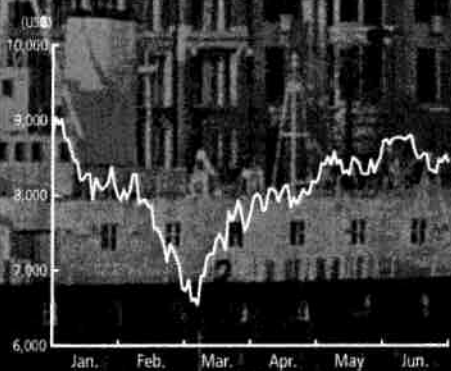
Source: Nomura, based on IMF, World Economic Outlook Database, April 2009

As Asia's global investment bank, we aim to act as an agent of change. By driving change in times of turbulence we believe we can contribute to market growth, thereby helping households, industry, and the global economy grow. We are also prepared to change from within, constantly transforming Nomura to deliver the highest level of service to our clients. We challenge existing thinking and are intensely client-focused and business-driven. We believe that creating change will in turn create growth opportunities for Nomura.



World-Class

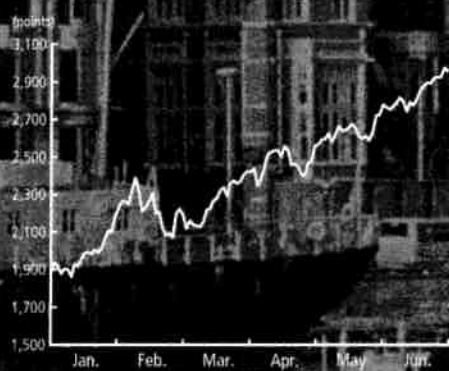
Dow Jones Industrial Average



Daily trading
value

US\$187 billion

Shanghai Stock Exchange Composite Index



Daily trading
value

US\$31 billion

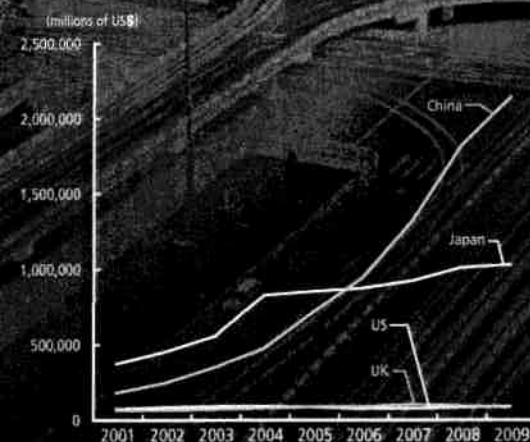
Source: Index data from Bloomberg; Daily trading value is the average for April-June 2009 based on data from World Federation of Exchanges, compiled by Nomura.

We are committed to offering world-class products and services to our clients globally while setting new standards in everything we do. We aim to earn the confidence of our clients by proposing value-enhancing solutions to remain their most trusted partner.



Speed

Foreign Currency Reserves



Source: Nomura, based on IMF data (figure for China is Bank of Japan estimate).

Speed is essential for sound and flexible decision-making. We focus on moving with speed and agility to mobilize the full resources of the company and enhance our client service offering. By doing so, times of market upheaval can lead to opportunities. We acted quickly in the past year to deal with legacy assets and pave the way for future growth. We will continue to move with speed to capitalize on new opportunities as they arise and deliver superior value to our clients.

Bank Market Capitalization

December 2000

Name	Country	Market Capitalization (billions of US\$)
Citigroup	US	256.45
HSBC	UK	136.36
Wells Fargo	US	95.48
JPMorgan Chase	US	87.63
Bank of America	US	74.03
UBS	Switzerland	69.77
RBS	UK	63.29
Lloyds	UK	59.05
Credit Suisse	Switzerland	56.89
Deutsche Bank	Germany	51.71

June 2009

Name	Country	Market Capitalization (billions of US\$)
ICBC	China	257.00
China Construction Bank	China	182.19
Bank of China	China	153.08
HSBC	UK	143.24
JPMorgan Chase	US	133.80
Wells Fargo	US	115.38
Bank of America	US	110.31
Banco Santander	Spain	98.08
MUFG	Japan	72.32
BNP Paribas	France	69.33

Source: Nomura, based on Bloomberg data. Note: Gray shading represents banks strong in Asia. White shading represents Asian-based banks.

“As a leading financial services group, Nomura partners with clients around the world building relationships and delivering tailored solutions for success in today’s markets. With some 26,000 people in over 30 countries, our operations include Retail, Global Markets, Investment Banking, Merchant Banking, and Asset Management.”



Count on Nomura for >>

Forward-Looking Statements

This annual report contains forward-looking statements about the future plans, strategies, beliefs, and performance of Nomura Group. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts, and projections based on information currently available to the company and are subject to a number of risks, uncertainties, and assumptions, which, without limitation, include market trends, economic trends, competition in the Japanese financial industry, laws and regulations, and the tax system. As such, actual results may differ materially from those projected.

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Message from the CEO



Kenichi Watanabe
President & Chief Executive Officer

Last year we dealt with legacy assets and positioned the firm for future growth. This year, our focus is on achieving profitability by leveraging our expanded business platform to deliver tailored solutions to our clients across all geographies.

FY 2008 in Review

Business Environment

In my first year as President and CEO a series of events sent the global financial markets into unprecedented turmoil. What started out as a US subprime loan crisis in the summer of 2007 became a global financial crisis with effects spreading to the broader economy. This created an extraordinarily challenging business environment for Nomura.

Before the crisis, the global financial markets were involved in what could be described as a massive carry trade. With the world awash in liquidity, the credit-fueled economy imploded, creating a global credit crunch that seized up the financial system. It will take time for the financial markets in the US and Europe to recover fully. On the other hand, Asia has emerged from the crisis relatively unscathed and, led by China, I see the region taking on an increasingly prominent global role.

Financial Results

Net revenue for the year was ¥312.6 billion. We booked a pretax loss of ¥779 billion and a net loss of ¥708.2 billion. While this represents our worst financial result ever, it also reflects our determination to deal aggressively with negative positions in legacy assets and align the company for future growth.

In dealing with these troubled assets, we reassessed the parts of our business that were not fully focused on clients. We were quick to review, reduce, and exit non-client businesses and illiquid positions such as commercial mortgages. As a result, we have emerged from the financial crisis with one of the cleanest balance sheets among global players.

To pave the way for future growth, we acquired and integrated the operations of Lehman Brothers in Asia-Pacific, Europe, and the Middle East. The one-off expenses from these acquisitions are similar to capital investments for a manufacturing company. Our investments allowed us to transform Nomura quickly, significantly enhancing our human capital, client base and business infrastructure while also expanding the reach of our worldwide franchise. At the same time, we reinforced our capital structure by raising ¥1.3 trillion in combined debt and equity capital to ensure a robust financial underpinning for future growth and market changes.

We executed these initiatives with extraordinary speed. Looking back on the global financial crisis, we have reaffirmed our resolve to reduce highly leveraged, non-client related businesses and focus on delivering Nomura's services to our clients. We believe that our ability to service individual investors and the overall economy will become our competitive edge, and to achieve our goals we must build a truly client-focused business.

Looking Ahead

Strategic Initiatives for FY2009

To deliver solid profits throughout fiscal year 2009, we will leverage our significantly enhanced business platform to deliver solutions to our global client base. At the same time, we will also take decisive steps to cut costs, rightsize, and streamline the firm in line with market conditions.

The important thing is that we stay client-focused. Thanks to our enhanced business platform, many new clients from around the world have approached Nomura. We need to listen closely to the needs of these clients and become their trusted partner. This will ultimately lead to further growth for Nomura.

Retail and Asset Management Business

In spite of the difficult market environment, our Retail and Asset Management operations remained profitable on a pretax basis last year. The Retail division continued to grow, with a record 600,000 new customer accounts opened during the year.

Market turmoil led to a reappraisal of the Japanese and Asian household savings market, particularly considering the traditionally low level of risk assets held by Japanese retail investors. Given our leading market share and proximity to these retail investors who have some of the world's largest holdings, Nomura's presence is set to continue growing. We

■ Main Causes of Losses for FY 2008 (approx. figures)

Expenses Aimed at Future Growth	
Wholesale platform expansion One-off expenses related to the Lehman Brothers acquisitions	¥120 billion
Dealing with Legacy Assets	
Carry trades with less client order flow Monoline related losses/ Iceland related losses	¥150 billion
Real estate loans, other illiquid assets Private equity write-downs/ Real estate related losses	¥140 billion
Long-term asset losses/expenses Fortress impairment/ JAFCO impairment	¥125 billion

are also increasing collaboration between Retail and Asset Management as well as other divisions to understand our customers' needs better and deliver the true value of Nomura. These efforts will expand the stable revenue platform these businesses bring to the company.

Wholesale Business

The sluggish financial and economic environment means we also need to be highly responsive to the changing needs of our corporate and institutional clients. Our new platform allows us to expand decisively from our historic Japan focus to a market that includes all of Europe and Asia-Pacific, which is over four times larger. Through our platform and increased collaboration between Global Markets and Investment Banking, we aim to become a top-tier global player.

Revenue Structure

The chart below illustrates our pyramid revenue structure. We are building a business portfolio in which more volatile businesses sit on top of a stable operating base. We will actively expand our market share in the stable business areas to bolster revenues while taking a calculated approach to the more volatile businesses. In doing so, we aim to increase overall revenue levels while also maximizing profitability.

Shareholder Distributions

In fiscal 2008, we focused on maintaining sufficient shareholders' equity to allow us to move with speed to capture new business opportunities. Our dividend policy has been based on paying a target dividend with a minimum payout of 3 percent on a dividend-on-equity basis and an additional performance-linked payout when we achieve a level of profit that brings the total payout ratio to over 30 percent.

Pyramid Revenue Structure and Business Division Targets



Our target minimum dividend for fiscal 2008 was ¥34 per share. This was divided into quarterly payments of ¥8.5 per share and paid each quarter from the first quarter to the third quarter. However, given the net loss booked for the full year we decided to forgo payment of the fourth installment. As a result, the annual dividend was ¥25.5 per share.

For fiscal year 2009, we will no longer determine payouts on a dividend-on-equity basis. Instead, we have set a consolidated dividend payout ratio of 30 percent as a key indicator and will endeavor to deliver stable dividends to our shareholders. Dividend payments will also be revised from quarterly to semi-annual.

We will continue to invest retained earnings into business areas with strong prospects for high growth and profitability, as well as into further development and expansion of our infrastructure, in order to maximize value for our shareholders.

Maximizing Shareholder Value

Given the drastic changes over the past year, we are working to maximize and protect shareholder value by ensuring we are prepared to deal with any risks that may occur in the future. Our medium-term target is to achieve ¥500 billion in pretax income and a return on equity of between 10 percent and 15 percent. We remain focused on achieving this goal. As it is said that the best defense is a good offense, we will continue to move with speed and create change at Nomura to become a world-class investment bank.

Looking ahead, the financial services industry will continue to reorganize itself over the next few years and the environment will remain in a constant state of change. This presents Nomura with an unprecedented opportunity to capitalize



on our position as an independent investment bank. We believe this unique position will allow us to play a leading role in the capital markets as Asia's global investment bank.

August 2009

A handwritten signature in black ink, reading "Kenichi Watanabe". The signature is written in a cursive, flowing style.

Kenichi Watanabe
President & Chief Executive Officer

Interview with the COO

With our enhanced business platform, we now have the capabilities to deliver world-class services to our clients globally. Our strategy is firmly centered on client-focused businesses. By further developing our unrivaled Japan retail business and global wholesale franchise, we will increase Nomura's corporate value over the medium to long term.

Q1 Looking back, how would you rate Nomura's performance in FY 2008?

If I were to compare our business to a house, we did three things: we cleaned the house, we reinforced the house's structure, and we welcomed new family members into a cleaner and stronger organization.

We remain concerned about the near-term business environment. But, we're now ready to move to the next level. We've become leaner by putting the past behind us and created a platform to capitalize on new business opportunities.

If I were to compare our business to a house, we did three things: we cleaned the house, we reinforced the house's structure, and we welcomed new family members into a cleaner and stronger organization.

Last year represented our worst results ever. But despite the challenges, we made significant headway. We successfully completed a major capital raising and maintained a healthy financial structure. We stayed focused, cleaning up legacy assets and positioning the company for future growth.

It was a particularly significant year for us in terms of business platform expansion and reinforcement. Over the past few years, we were aware that we needed to address our global strategy. We lagged behind our competitors. Our clients were going global but we had not.

In mergers and acquisitions, for instance, even if we wanted to help Japanese companies grow internationally, our geographic scope and industry coverage were limited. In equities, we were behind the curve in European and Asian products. In fixed income, we were not as competitive in our ability to serve international clients. This led to an over-reliance on proprietary trading, which in turn led to the substantial losses.

We addressed all of these issues over the past year by enhancing our global platform. In addition, with our acquisition of an IT and operations center in India, we now have a high-speed trading engine and efficient business support platform.



Takumi Shibata

Deputy President & Chief Operating Officer

Q2 What were the key success factors in acquiring parts of Lehman Brothers' operations and strengthening your wholesale business platform?

I'd say speed was the most decisive factor. Three Nomura executives including myself flew out from Japan on September 20 to Hong Kong and London. We negotiated from early in the morning to late at night. We agreed on most of the terms by September 23. From there, it only took 70 days from signing to the establishment of a new organizational structure.

In Global Markets, the systems have been integrated and our new platform is operational. We are seeing significant results from the acquisitions. Our secondary market shares in Europe and Asia are increasing and we have won a number of high-profile investment banking mandates including being named financial advisor to San Miguel Brewery and Tsingtao Brewery on M&A transactions.

We are steadily gaining traction in our drive to deliver world-class solutions to all our clients.

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Now that our global platform is established, we need to harness this momentum to drive future growth for the whole company. In Europe and Asia we are

enhancing our service offering and increasing our presence to take Nomura to the next level. Even in the Americas, which was not a part of the acquisitions, we are building out our operations.

In the institutional investor space, new client relationships and needs require us to continually innovate to stay ahead. Traditional institutional investors such as pension funds and mutual funds are taking on an increasingly prominent role in the wake of the global financial crisis. In the hedge fund industry, the turbulence in the markets has weeded out poor performers and made room for strong new players.

High-speed trading systems are increasingly important for investors that use sophisticated financial strategies. Passive managers, on the other hand, have a stronger need for best execution as they introduce new management techniques to maximize value from their passive strategies. There is also growing demand for global research. We're looking to increase our market share by providing

We are leveraging our newly established global platform to address the changing needs of our clients.

services that respond to these emerging trends.

Given the stagnant economic environment, we expect to see an increase in demand for fundraising and business restructuring by corporate and financial institution clients. With our extensive global network and dis-

tribution capabilities, deep origination expertise, financing backed by risk-taking ability, and insightful solutions, Nomura has all the tools to provide solutions that truly add value for our clients.

Q3 What challenges did you face in launching a global wholesale business?

Some people have pointed to possible cultural differences between Lehman Brothers and Nomura, but we are working as one team, one firm. Everyone is focused on the same goal. After the signing of the acquisition in London, I spoke at a town hall meeting for our new colleagues and said that we welcomed them to Nomura as leaders, as thinkers, and as our partners. And I asked them to accept us as partners too. I received a standing ovation, and it was clear we saw each other as equal partners with mutual respect.

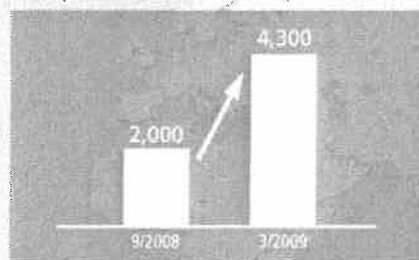
Both companies share common traits of having a collegiate culture that is hard-working and results-oriented, with very diverse workforces in Europe and Asia. I think these factors were key in

We are working together as one team, one firm. Everyone is focused on the same goal.

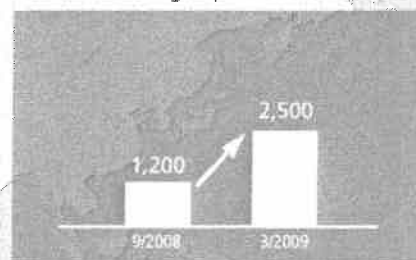
ensuring that we could integrate the businesses smoothly. Now a number of our regional line heads are from the Lehman Brothers businesses. Our compensation system is going through a transition as we work to tie compensation to medium and long-term incentives.

Number of Employees by Region

Europe/Middle East



Asia (Excluding Japan)



Notes: Figures are approximate. Includes middle/back-office employees. Asia (Excluding Japan) does not include subsidiary in India.



Q4 What is your strategy with regard to illiquid assets and businesses that require a long-term investment horizon?

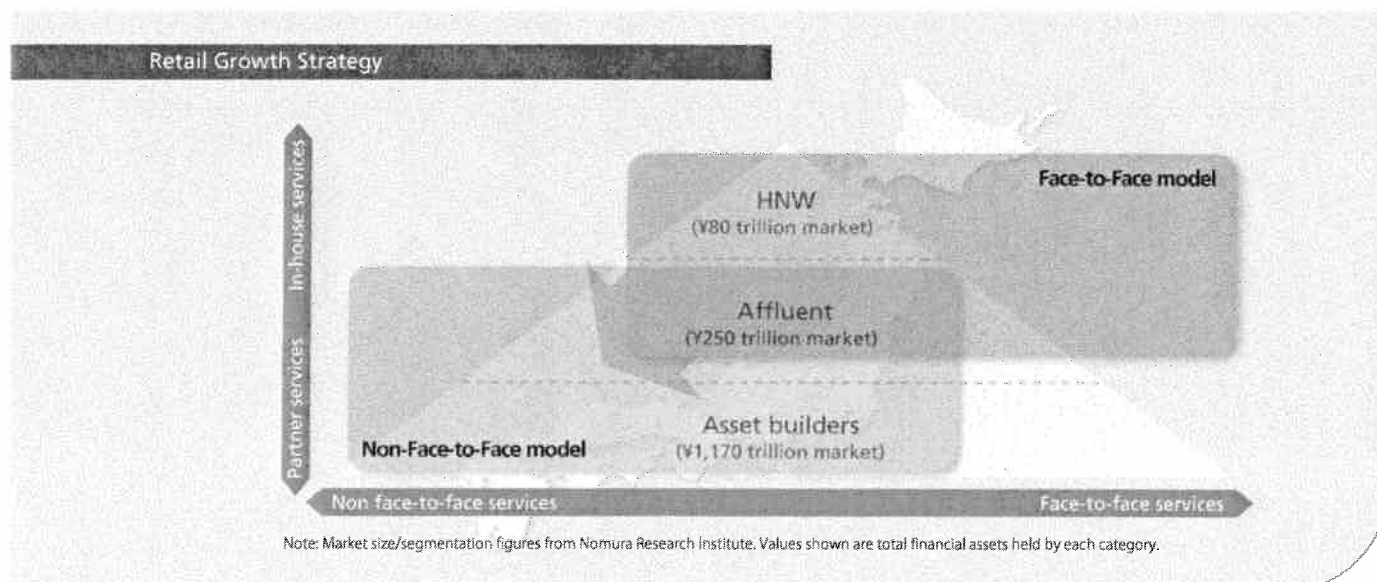
Many of our writedowns and losses in FY 2008 were related to illiquid assets such as private equity investments and real estate, as well as long-term investments including stakes in Fortress Investment Group and JAFECO. We have decided to curb new investments in assets that are illiquid or require a longer holding period. However, through proper risk controls and processes, we will continue to seek out opportunities to generate revenue.

Q5 Given Retail's role as an important contributor of stable earnings, what is the outlook for this division?

At the end of March 2009, Retail client assets were ¥59.3 trillion, accounting for a significant share of the ¥166 trillion in risk assets held by individual investors in Japan. We are fully committed to enhancing our service offering by providing solutions that respond to the changing needs of this client base.

To provide better service to our retail clients, we are improving the quality of our consulting skills, enhancing our lineup of products and services, and increasing convenience by adopting region-specific marketing strategies and taking a multi-channel approach to delivering services.

We will continue to enhance our face-to-face services but also focus on developing services in other channels such as online and call centers to respond to the needs of investors currently building



We will continue to enhance our face-to-face services for high net worth clients but also focus on developing services in other channels such as online and call centers to respond to the needs of investors currently building their asset base.

their asset base.

Japan's brokerage and asset management sectors are now undergoing a realignment that is opening up opportunities for Nomura. We believe healthy competition is all about raising the level of services we offer our clients.

Q6 What initiatives are you undertaking to increase collaboration between the Retail and Asset Management business divisions?

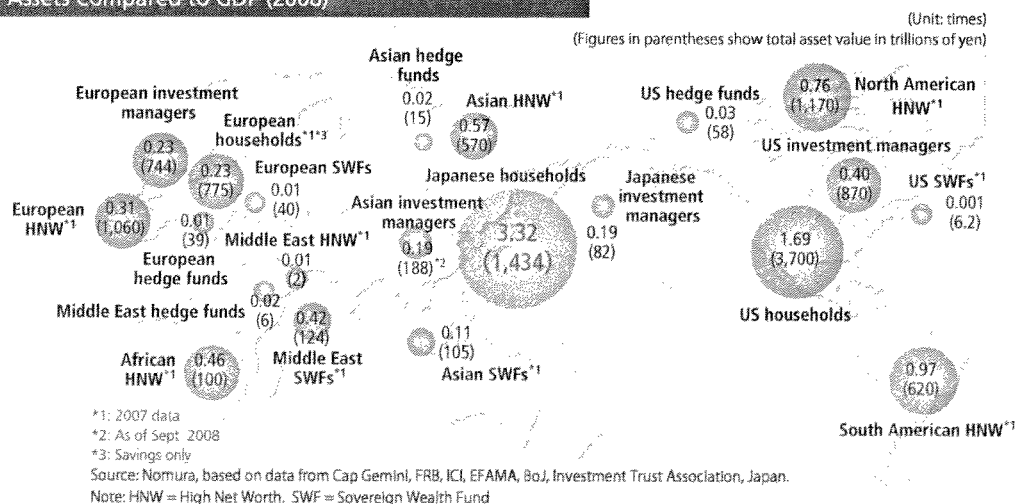
We're stepping up our multi-product, multi-channel strategy in the Asset Management division and increasing collaboration with Retail to ensure a stable earnings base and a controlled cost structure.

Our main priority is to understand our clients and their needs in a timely manner and provide products better matched to their individual requirements in order to further enhance our overall capabilities. With a solid client base in both our Retail and Asset Management divisions, Nomura is

We aim to further improve our performance and be recognized as a world-class asset manager not only for Japanese and Asian products, but also global equities and bonds.

well placed to turn this approach into a powerful competitive advantage. We are also leveraging our well-established infrastructure and enhanced capabilities to further improve performance in managing not only Japanese and Asian products but also global equities and bonds as we aim to be recognized as a world-class asset manager.

Size of Assets Compared to GDP (2008)





Q7 What direction will Nomura take with its client-focused, business-driven approach while driving internal momentum?

The investment banking industry moved away from its clients over the past ten years. The industry needs to get back to basics and provide services focused on clients.

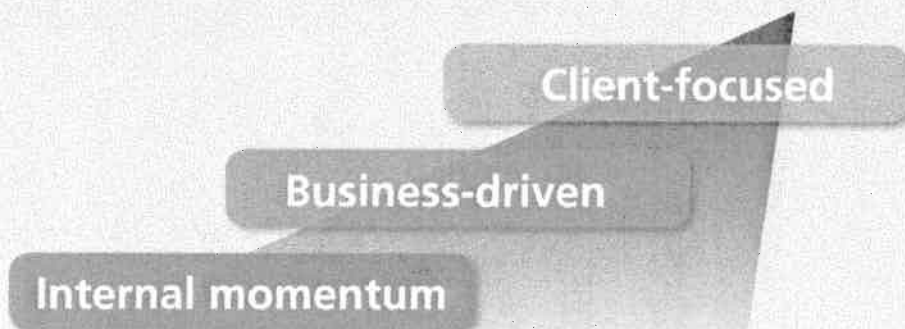
Nomura will remain a client-focused company. We will channel our energies into our client businesses, as not to do so would be detrimental to our franchise. In investment banking, our true worth as a company hinges on the value we can deliver to clients through innovative ideas that help them grow their businesses. Nomura is also a business-driven company, which means we generate rev-

enues by adding value for our clients. To follow through on these commitments, we must first build momentum within the company.

The way forward for Nomura is clear: To increase our corporate value, we must work with our clients, listen closely to their needs, and offer timely solutions that respond accurately to those needs.

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Future Direction



Message from the CFO



Masafumi Nakada
Chief Financial Officer

In the midst of last year's financial upheaval, we strengthened our capital structure to establish Nomura as a world-class competitor. Our focus now is to maintain a robust financial position to maximize profitability and enable future growth.

Robust Financial Position

During the past year, we did more than just keep our head down to weather the financial storm. We saw the crisis as an opportunity to position Nomura for future growth, so we enhanced our capabilities, financial position and capital structure.

We started by disposing of legacy assets to clean up our balance sheet. While we have always marked our assets to market prices for transparency, the financial market turmoil made it difficult to see market prices for some assets. We made conservative reductions and writedowns on illiquid assets, and booked a significant loss in fiscal 2008. However, the writedowns allowed us to create a leaner balance sheet, and we now have a relatively sound financial position compared to our peers.

Strong Capital Base

In addition to dealing with the asset side of our balance sheet, we reorganized our capital structure to position the company for future growth. We raised approximately ¥1 trillion in subordinated debt and ¥280 billion in common stock. These moves created a platform for global competition while also improving our balance between Tier 1 and Tier 2 capital.

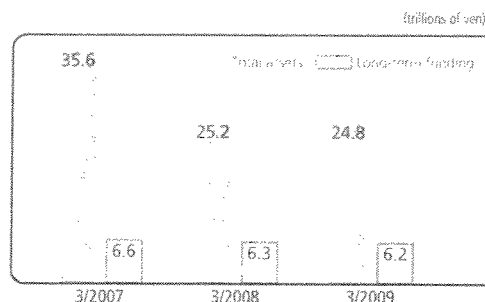
Shareholders' equity at the end of March was ¥1.5 trillion, while our Basel II capital ratio was 18.9 percent, and our Tier 1 ratio was 11.7 percent. Nomura has built a robust capital structure to support operations and strategic growth as a global financial services group. As part of our drive to globalize, we also started reporting our Basel II capital ratio from March 2009.

To ensure we had enough funding throughout the mar-

■ Capital Ratio based on Basel II Framework
(As of March 31, 2009)

	(billions of yen)
Tier 1	1,405
Tier 2	613
Tier 3	298
Total Capital	2,257
Risk-Weighted Assets	11,936
Tier 1 Ratio	11.7%
Capital Ratio	18.9%

■ Assets and Long-term Funding



ket turmoil, we focused heavily on cash and maintained a cautious approach to liquidity management. As of the end of March 2009, we had ¥2.4 trillion of liquidity on hand.

New Risk Management Structure

As we grow, disciplined risk management will remain a priority. Over the past year, we significantly revamped our risk management structure. Top management now plays a more hands-on role in risk management, and the firm as a whole is more proactive in managing risks. We have established a Group Integrated Risk Management Committee and appointed a Chief Risk Officer. This new structure allows for quicker information gathering and sharing across all regions and markets, while also helping us manage risks proactively over the medium to long term. We will continue to focus on limiting potential risks and maintaining a disciplined approach to risk management.

Cost Cutting

In order to maximize profitability, we are restructuring our cost base. We aim to cut 10 percent of our ¥1 trillion running costs to create a cost structure that will enable us to be profitable even in a tumultuous market environment. Revamping our cost structure will increase our efficiency and productivity. We need to reduce fixed costs and increase the proportion of variable costs across our cost base and specifically in compensation and benefits, which comprise about half our total costs. The key to our success lies in how quickly and rigorously the entire company can execute on these initiatives.

Current cost-cutting initiatives include rightsizing the businesses; streamlining corporate functions by offshoring certain information technology, finance, and administration functions to our Powai operations in India; and increasing collaboration between business divisions to reduce overlap.

Future Outlook

Nomura's medium-term target is to achieve ¥500 billion in pretax income and a return on equity of 10 to 15 percent. To reach this target, we must increase collaboration between business divisions and focus intensely on client needs. A robust financial position is also essential. By using our new proactive risk management structure and gathering and analyzing information in real time, we strive to maintain the optimal balance between assets and liabilities to make swift forward-looking decisions.

Major International Business Lines



Sadeq Sayeed

Senior Managing Director and Chief Executive Officer, EMEA

Through the strong leadership and talented workforce of the combined businesses we continue to gain sustainable competitive advantage. Integration is complete and we are focused on building strong client relationships and delivering innovative products and services while managing risk.



Global Markets

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Rachid Bouzouba

Head of Equities, EMEA

Our equities business continues to gain market share, bridging Asian and Western markets with integrated, customer-focused services. A dedicated team, superior content capability and a world-class execution platform are enabling us to take our place among the top-ranked equity houses globally.



Georges Assi

Co-Head of Fixed Income, EMEA

We are creating a top-tier fixed income franchise with strength across flow and solutions asset classes and a firm focus on client delivery. We have industry-leading teams, supported by the best technology and risk management. We aim to be a Top 5 player in the markets we choose to target.



Kieran Higgins

Co-Head of Fixed Income, EMEA



Sigg Thorleifsson

Head of Equities, Asia-Pacific



Jai Rajpal

Joint Head of Fixed Income, Non-Japan Asia



Thomas Siegmund

Joint Head of Fixed Income, Non-Japan Asia

Investment Banking

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Christian Meissner

Deputy Head of Investment Banking



William Vereker

Co-Head of Investment Banking, EMEA

We continue to build our franchise steadily, with a growing number of deals from established and new client relationships. Our pipeline is strong and we are exploiting the cross-regional opportunities presented by our links with Asia.

*EMEA: Europe, Middle East and Africa

Investment Banking

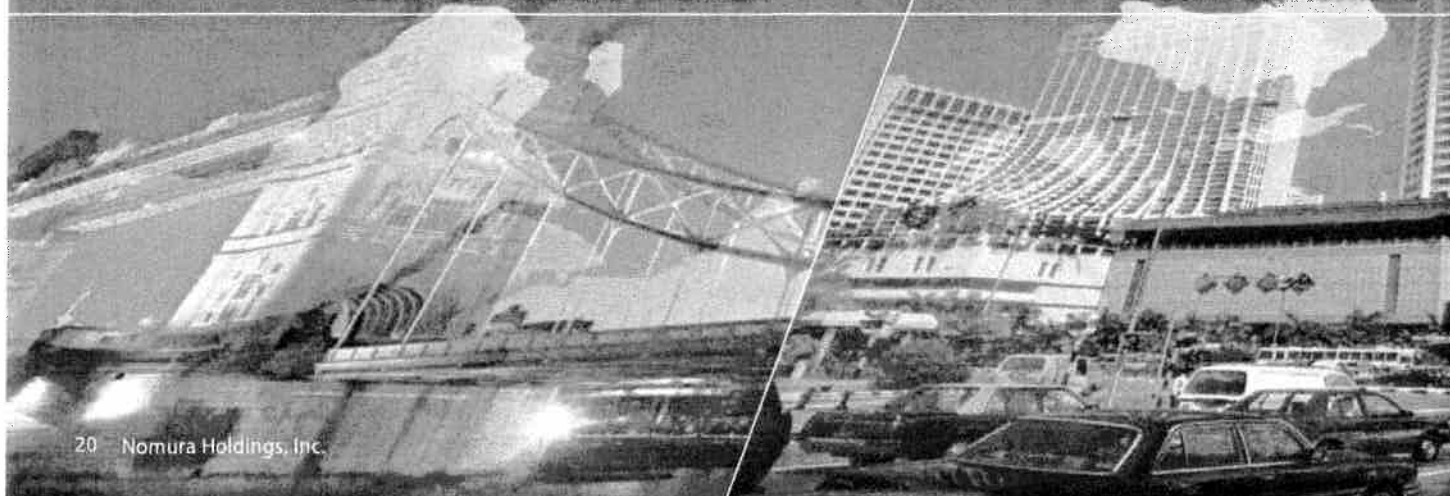


Glenn H. Schiffman

Head of Investment Banking, Non-Japan Asia

Count on Nomura in EMEA

Count on Nomura



Minoru Shinohara

Senior Managing Director and Regional CEO, Asia

By taking advantage of our enhanced capabilities, we can strategically capitalize on market opportunities, while staying focused on strengthening the partnerships we have forged with our clients.



Shigesuke Kashiwagi

Senior Managing Director and President of Nomura Holding America Inc.

At Nomura Holding America Inc., we work closely with our global counterparts to add value to our clients. We view the recent market volatility as an opportunity to expand our product and service capability in the US and globally.

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With our focus on market-leading products, state of the art execution & trading capabilities, excellence in research and an unwavering commitment to our clients, we are on our way towards achieving our goal of becoming the equity house of choice.

Our aim in Asia fixed income is to be the best in class provider of international product to our regional clients and of local market expertise and access to our international clients, while practicing the highest standards in risk management.

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In Asia investment banking we are focused on serving our priority clients with a solutions-based approach that puts our client in the center of everything we do, thereby achieving the status of a trusted advisor.

Global Markets

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Naoki Matsuba

Senior Managing Director and Head of Global Equities

In the US, we have hired teams of proven professionals that will enable us to add value to our clients. My relocation to New York City represents a commitment by Nomura to its franchise in the Americas.



Anthony Abenante

Co-Chief Executive Officer, Instinet Inc.



Fumiki Kondo

Co-Chief Executive Officer, Instinet Inc.

As a global agency broker, Instinet focuses solely on helping our institutional clients achieve best execution. In 2008, we saw our first ever billion share day in the US, firm-record market share levels and a steady stream of innovative new product rollouts worldwide.

Asset Management

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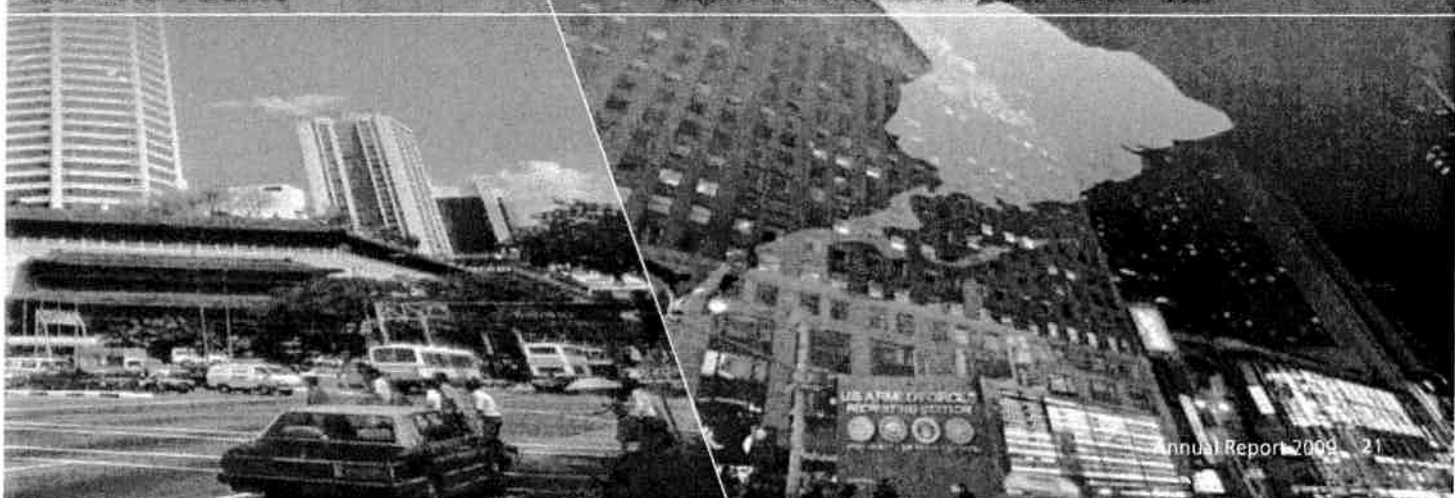
Robert Levine

Chief Executive Officer, Nomura Corporate Research and Asset Management

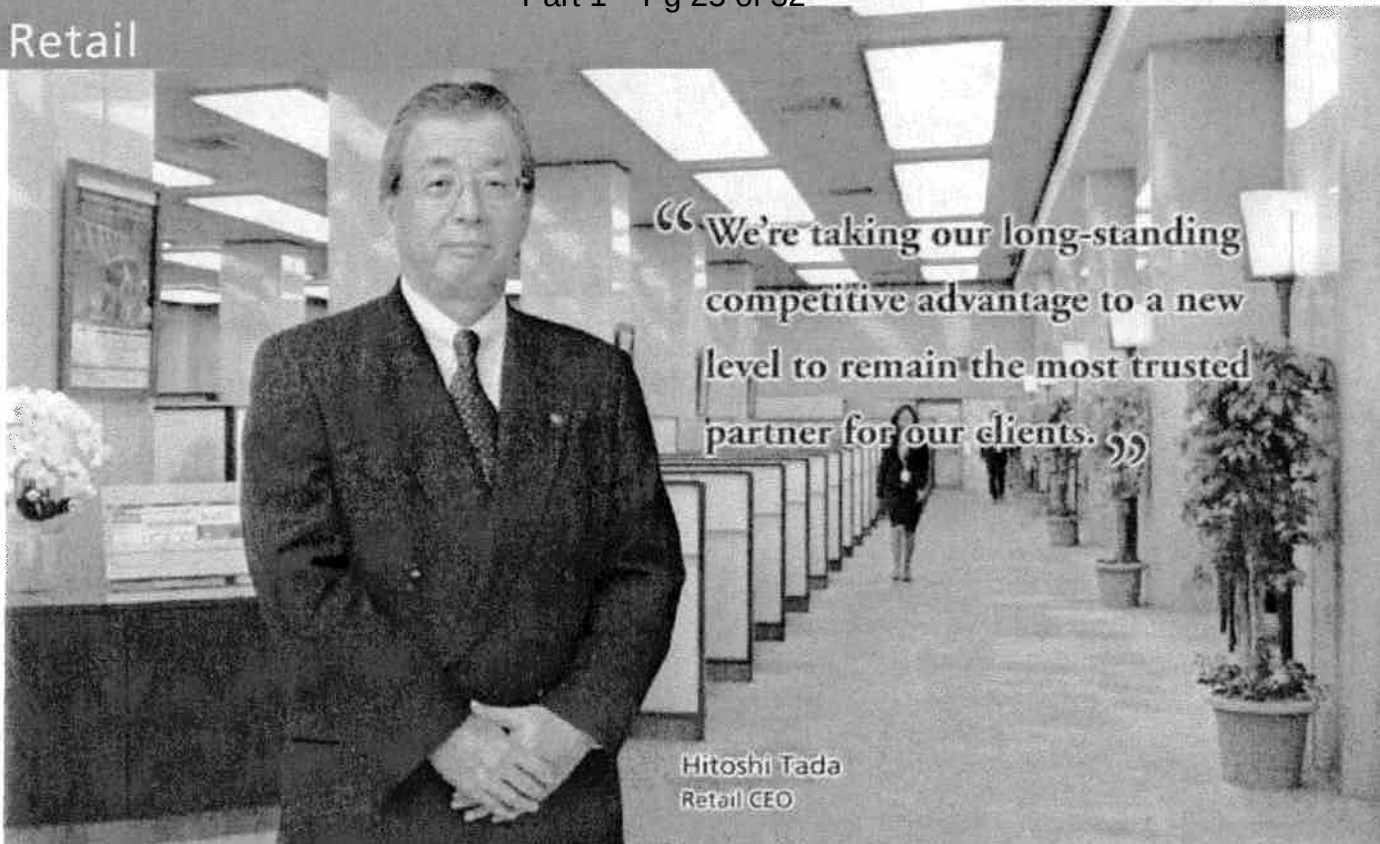
NCRAM is a world-class asset manager focusing on high yield bonds, leveraged loans and emerging markets debt. We manage money for some of the largest and best known institutions in the world as well as for Japanese retail clients.

in Asia-Pacific

Count on Nomura in the Americas



Retail



“We’re taking our long-standing competitive advantage to a new level to remain the most trusted partner for our clients.”

Hitoshi Tada
Retail CEO

Count on Nomura

“Drawing on our strengths in a difficult environment”

Last year’s global financial crisis put the brakes on the shift from savings to investment in Japan. Risk assets held by retail investors in Japan including domestic equities, bonds and investment trusts declined by roughly 30 percent to ¥166 trillion in fiscal 2008. Despite this significant decline, Nomura’s retail client assets remained relatively strong at ¥59.3 trillion.

Why have we been able to continue expanding in the current difficult environment? The answer lies in our unrivaled client platform and our long-standing consultative approach that sets us apart from the competition. Our clients have diversified their portfolios in line with the dramatic changes in the financial markets. They are now looking for more tailored products and services that offer higher levels of quality. They are also seeking even more in-depth consulting services to help them make investment decisions.

171

Retail Branches
(March 31, 2009)

¥59.3 Trillion

Client Assets
(March 31, 2009)

We believe that these clients have chosen Nomura for several reasons. By understanding our clients, we can offer products closely matched to their needs. Additionally, our consulting services cover all aspects of personal finance. The growth we are seeing in our client platform, with increases in both Retail client assets and client accounts, is a testament to the trust our clients place in Nomura.

“Offering more client-focused services”

Our face-to-face service at our branch offices is one of our long-standing strengths. We continue to enhance our consulting-based services and our organizational structure to deliver services to a broader base of investors. For example, we have opened over 30 new branches since

for Consulting

2006, bringing our nationwide network to 171 branches. We have further revised our product and service offering and upgraded our employee training initiatives to ensure we understand and meet our clients' needs.

At the same time, we are stepping up our efforts in other channels to deliver the information that our clients need as quickly as possible. We are increasing services that enhance convenience. For example, we started an online securities-backed loan service in July 2008. To augment

our product and service offering we are evaluating the integration of Joinvest Securities, our online broker, into Nomura Securities. Through such initiatives we will continue to strengthen and expand our retail operations in Japan to remain the most trusted partner for our clients.

4.5 Million

Client Accounts
(March 31, 2009)



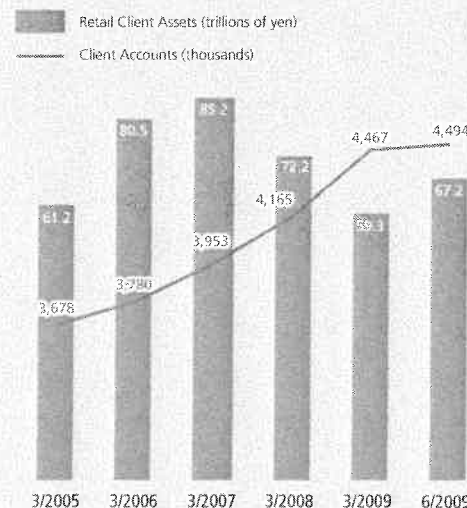
My job puts me at the forefront of Nomura's retail business in Japan. I work with both individual and corporate clients who demand sophisticated financial services, helping them solve any financial issues they face. This means I have to be very quick to adapt to their rapidly changing needs.

I need to be able to provide advice on a full range of financial services including managing personal assets, tax strategies, real estate, IPOs, and corporate actions such as mergers and acquisitions. To do so, I need to draw on the full resources of Nomura. The acquisition of parts of Lehman Brothers' operations has further extended those resources, allowing me to offer more value and bring world-class services to my clients.

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Retail Client Assets and Client Accounts*



*Accounts with a positive balance

We're bringing
world-class services
to Japanese investors.



Atsushi Onuma
Umeda Branch Office

I'm always looking to raise the bar to
be the best partner for my clients'
investment needs.

I work with retail investors in Japan to provide them with solutions on how to best manage their personal assets. I first sit down with my clients to discuss where they are in life and where they are headed in terms of managing and growing their asset base.

Naturally, our clients' needs come first. It is essential that we ascertain precisely what those needs are and how we can provide the best solutions from our broad product offering.

Mizuho Sugiura
Okazaki Branch Office



To respond to the diverse needs of my clients, I have to constantly broaden my knowledge of financial products, inheritance planning, and tax issues. But knowledge alone is not enough. I also work on improving my communication skills to build closer relationships with my clients and better understand their needs.

The part of my job I love the most is being able to help my clients map out their life plan by providing advice on how to manage their assets.

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Yuji Hibino
Deputy Managing Director,
Shibuya Branch Office

We're intensely focused
on creating value for our
clients, remaining as
their most trusted partner
while staying one
step ahead of the competition.

In the branch office where I work in Tokyo, our clients include public interest corporations such as foundations and educational institutes, listed companies, and individual retail investors. Each of these client groups has different requirements.

For corporations and institutions we provide financial products and services, advice on mergers and acquisitions and fundraising, and support for their core operations. We advise retail investors on how to manage their assets in line with prevailing market conditions and their plans for the future. We also leverage all of Nomura's resources

to provide advice on inheritance planning and business succession as well as to introduce our clients to trusted real estate brokers and certified tax accountants.

In addition to working with my own client base, I am in charge of formulating marketing strategies for our branch, motivating team members, and ensuring Nomura's high compliance standards are maintained. Tokyo is a competitive market and we are building the number one presence in our area through an intense focus on creating value for our clients to continue as their most trusted partner for financial services.

Global Markets



Count on Nomura

“Delivering sophisticated financial services to our clients”

The trading environment deteriorated significantly last year due to the global financial crisis. The subsequent drying up of market liquidity impacted many financial institutions' performance. At the same time our main clients, such as traditional institutional investors, hedge funds, and private equity funds, are demanding more advanced finan-

cial products and specialist financial services including best execution.

Due to recent market conditions, our clients are now more focused on liquidity and transparency in their transactions. Responding to these trends requires sophisticated financial engineering skills and leading information technology capabilities together with solid professional experience and best execution capacity. These are all areas where Nomura has a competitive advantage. For example,

13x

Increase in Cash Equity Trades
from Non-Japan Operations
(September 2008 vs. June 2009)

#1

London Stock Exchange Share (July 2009)

we have significantly increased our market share on the Tokyo and London stock exchanges due to our leading research capabilities and execution platform.

“Building a new franchise to become a global top-tier player”

Our acquisition of parts of Lehman Brothers' operations in Asia-Pacific, Europe, and the Middle East enabled

Nomura to become a world-class player in both fixed income and equities. We have added a new international client base to our already solid base of Japanese institutional investors and have substantially enhanced our research and product origination capabilities. Our systems are integrated, providing an infrastructure enabling us to generate synergies across the business.

In fixed income, we are rolling out our product lines globally and aiming to become a top-tier player in our tar-

for Innovation

get markets. Our focus is on liquid businesses such as interest rates, currency and flow credit trading. We also offer structured solutions in response to our clients' increasingly complex needs.

In equities, we aim to become the world's leading provider of liquidity. We offer our clients the best execution based on our cutting-edge technology and highly diverse sources of order flow. We are also enhancing our service offering to deliver products with unrivaled value-add and

create win-win solutions for our client franchise.

In asset finance areas such as real estate and acquisition financings, we continue to develop the business in response to changing market conditions and client needs.

5x

Increase in Flow Rate & Credit Trades from Non-Japan Operations (January 2009 vs. June 2009)



As part of the government bond team,
I trade Japanese government bonds,
one of the biggest and most liquid
fixed income markets in the world.

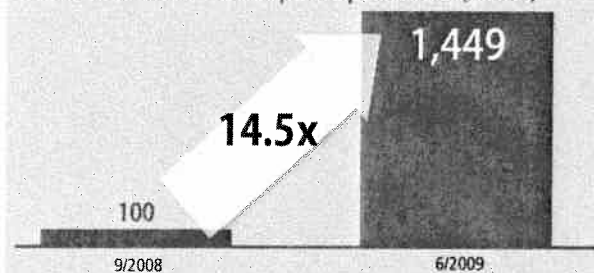


Naoya Murata
Executive Director,
Fixed Income Department
JGB Trading

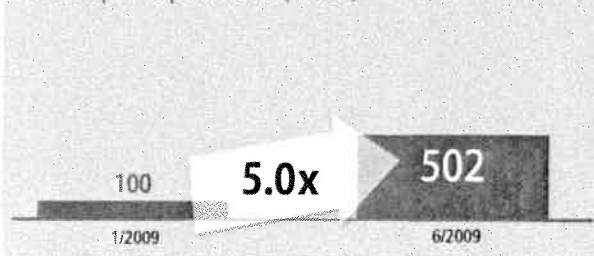
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FX Trades from Non-Japan Operations (Index)



Flow Rate & Flow Credit Trades from
Non-Japan Operations (Index)



Note: Start date of indexing based on pre-integration or go-live period of each business line.

My job mainly involves market-making activities in the secondary market for Japanese government bonds (JGBs). We work with a broad base of institutional investors, offering stable, competitive pricing and supplying liquidity under all market conditions to generate revenues for Nomura based on client order flow. This is the core of our fixed income and yen businesses and is an essential part of Nomura's flow business.

Our established framework for consistently delivering stable liquidity to our

clients on a global basis allowed us to increase our clients' confidence in us even throughout the unprecedented financial market turmoil in 2008.

Participating in JGB auctions is another important aspect of my job. With nearly ¥800 trillion in long-term debt outstanding, the Japanese government needs to be able to issue bonds to manage debt and facilitate economic growth. By participating in JGB auctions, we are supporting the country's fundraising activities and playing a part in setting appropriate interest rates.

Nomura is consistently positioned in the top ranks for JGB auction results.

The key for us now is to continue encouraging international investors to invest in JGBs on the back of expected issuance increases. We will focus on driving revenues by expanding our overseas business platform, enhancing the client experience, and maximizing our strengths in yen-related businesses.

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We are building a truly global foreign exchange franchise, offering the most comprehensive range of client-focused capabilities through dedicated professionals and market-leading technology.

Nomura's strategic objective in foreign exchange (FX) is to be a leading dealer in the wholesale global markets, offering our clients 24-hour market-making services and operational support in FX cash and derivative products. We recently opened a new FX hub in Singapore to complement our existing centers in Tokyo and London.

We help clients navigate challenging markets by offering innovative solutions and market intelligence across G10 and emerging market currencies, providing

liquidity to clients where and when they need it. Our industry-leading FX structurers and research professionals provide bespoke solutions and analysis. In emerging markets we offer the rates products that go hand-in-hand with the currency needs of our clients.

A market-leading firm requires market-leading infrastructure to support a large and demanding client base. We invested

heavily in technology, product control and operations to support not only the clients that we have now but those we will have in two years time. We launched an e-trading platform offering clients executable streaming prices and request-for-quote functionality in over 200 currency pairs. We plan to dominate electronic trading through our stability, speed, and innovation.

We are committed to building deep, collaborative relationships with our clients and placing them at the heart of our strategy.

Richard Gladwin
Global Co-Head of Foreign Exchange

